

CONRAIL

RECORDATION NO. 9661-~~A~~ Filed & Recorded

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AUG 28 1978 :3 30 PM

AUG 28 1978 :3 30 PM

INTERSTATE COMMERCE COMMISSION

INTERSTATE COMMERCE COMMISSION

RECORDATION NO. 9661-~~B~~ Filed & Recorded

RECORDATION NO. 9661-~~C~~ Filed & Recorded

August 28, 1978

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AUG 28 1978 :3 30 PM

INTERSTATE COMMERCE COMMISSION

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RECORDATION NO. 9661-~~D~~ Filed & Recorded

AUG 28 1978 :3 30 PM

INTERSTATE COMMERCE COMMISSION

Robert L. Oswald, Secretary
Interstate Commerce Commission
12th and Constitution Avenue
Washington, D. C. 20423

Dear Mr. Oswald:

Pursuant to Section 20c of the Interstate Commerce Act and as provided by Volume 49 Code of Federal Regulations Sections 1116.1 through 1116.4 we present the following documents for recordation.

1. Lease of Railroad Equipment, dated as of January 2, 1978.

Lessor: Manufacturers National Bank of Detroit
as Trustee of Conrail 1978 Trust No. II
100 Renaissance Center
Detroit, Michigan 48243

Lessee: Consolidated Rail Corporation
Six Penn Center Plaza
Philadelphia, Pennsylvania 19104

2. Revolving Loan Agreement, dated as of January 2, 1978.

Borrower: Conrail 1978 Trust No. II,
Manufacturers National Bank of Detroit, as
Trustee
100 Renaissance Center
Detroit, Michigan 48243

Lenders: First Pennsylvania Bank N.A.
First Pennsylvania Tower
Center Square Building
Philadelphia, Pennsylvania 19101

INTERSTATE COMMERCE COMMISSION

AUG 28 1978 :3 30 PM

RECORDATION NO. 9661-~~E~~

RECORDATION NO. 9661-~~F~~
AUG 28 1978 :3 30 PM

INTERSTATE COMMERCE COMMISSION

8-240A368

DATE AUG 28 1978
FILED 200

ICC Washington, D. C.

Central National Bank of Cleveland
800 Superior Avenue
Cleveland, Ohio 44114

The Fidelity Bank
Broad and Walnut Streets
Philadelphia, Pennsylvania 19106

3. Assignment and Security Agreement, dated as of January 2, 1978.

Borrower: Conrail 1978 Trust No. II

Lenders: First Pennsylvania Bank N. A.

Central National Bank of Cleveland

The Fidelity Bank

4. Consent to Assignment and Security Agreement.

Consent By: Consolidated Rail Corporation

5. Assignment of Purchase Order, dated as of January 2, 1978.

Assignor: Consolidated Rail Corporation

Assignee: Manufacturers National Bank of Detroit, as Trustee

6. Consent to Assignment of Purchase Order, dated as of January 2, 1978.

Consent By: Berwick Forge and Fabricating
Division of Whittaker Corporation
P. O. Box 188
West 9th Street
Berwick, Pennsylvania 18603

7. Letter of Amendments

Executed By: All the parties of the various
documents listed above

The Equipment covered by this transaction is:


<u>Type</u>	<u>AAR Mechanical Designation</u>	<u>No. of Units</u>	<u>Marked</u>	<u>Numbers Inclusive</u>
Box Cars	XP	162	Conrail	223301-223462

Enclosed is our check for \$200 to cover the recordation fee.
On March 31, 1978, I filed a similar group of documents

(Recordation Nos. 9302-9302E) and you calculated the recordation fee as \$200 at that time. The enclosed documents have not been previously recorded with the Interstate Commerce Commission.

After recording a counterpart original of these documents, please return the remaining copies, stamped with your recordation number to the individual presenting them for recordation. Thank you for your assistance.

Sincerely yours,



Joseph T. Rowan
Corporate Counsel

JTR/pe
Enclosures

3/10/78
3/27/78
7/18/78
8/22/78

RECORDATION NO. 9661-13
AUG 28 1978 3 30 PM
PENNSYLVANIA STATE COMMERCE COMMISSION

ASSIGNMENT AND SECURITY AGREEMENT

THIS ASSIGNMENT AND SECURITY AGREEMENT, dated as of January 2, 1978, but executed and delivered on August 23, 1978, by and among CONRAIL 1978 TRUST NO. II (hereinafter, the "Borrower" or the "Trust"), FIRST PENNSYLVANIA BANK N.A. (the "Agent Bank"), CENTRAL NATIONAL BANK OF CLEVELAND and THE FIDELITY BANK (the foregoing banks, including the Agent Bank, being hereinafter sometimes referred to individually as a "Bank" and collectively as the "Banks"),

W I T N E S S E T H :

Background. The Borrower is a trust of which MANUFACTURERS NATIONAL BANK OF DETROIT is trustee (hereinafter referred to as the "Trustee") and FORD MOTOR CREDIT COMPANY, THE BUDD LEASING CORP. and GOULD LEASING INC. are the beneficiaries (hereinafter sometimes referred to individually as a "Beneficiary" and collectively as the "Beneficiaries"), under a Restated and Amended Trust Agreement, restated and amended as of February 15, 1978, and dated as of January 2, 1978.

The parties hereto are also parties to a Revolving Loan Agreement, dated as of January 2, 1978, (the "Loan Agreement"), pursuant to which the Banks agreed to lend the Borrower up to \$5,468,450 (the "Loan"). The Loan is to be used, together with the investment (as defined in the Loan

Agreement), to purchase the Equipment and pay the Transaction Costs (as each such term is defined in the Loan Agreement). In addition, the Borrower, as lessor, has entered into the Lease (as defined in the Loan Agreement) with CONSOLIDATED RAIL CORPORATION ("ConRail") as lessee, providing for the lease of the Equipment to ConRail.

It is a condition precedent to the obligation of the Banks to make the Loan under the Loan Agreement that the Borrower execute and deliver this Assignment and, to induce the Banks to enter into the Loan Agreement and to make the Loan, the Borrower is willing to do so.

NOW, THEREFORE, in consideration of the promises herein contained, and each intending to be legally bound hereby, the parties agree as follows:

SECTION 1. As collateral security for the prompt satisfaction of all Obligations (as defined in the Loan Agreement), the Borrower hereby assigns to the Banks and grants the Banks a lien on and security interest in all of the Borrower's right, title and interest in and to all of the following, wherever located, whether now owned or hereafter acquired, together with all replacements therefor and proceeds (including, but without limitation, insurance proceeds) thereof (collectively, the "Collateral"):

(A) The Purchase Order (as defined in the Loan Agreement);

(B) The Equipment, including, but without limitation, the Equipment more fully listed and described in Exhibit A, attached hereto and made a part hereof;

(C) The Lease and all of the Borrower's right, title and interest, powers, privileges and other benefits thereunder, including but without limitation: the immediate right to receive and collect all rentals, profits and other sums payable to or receivable by the Borrower from ConRail under or pursuant to the provisions of the Lease (excluding, however, the right of the Borrower to any payments from ConRail to the Borrower or the Beneficiaries pursuant to the provisions of § 6 and § 9 of the Lease, or of the Tax Indemnity Agreement dated as of January 2, 1978, between ConRail and the Beneficiaries), whether as rent, casualty payments, liquidated damages, or otherwise (such moneys being hereinafter called the "Payments"), and, upon the happening of an Event of Default specified in the Lease, the right to make all waivers and agreements, to give all notices, consents and releases, to take all action and to do any and all other things whatsoever which the Borrower is or may become entitled to do under the Lease; and

(D) All records pertaining to the Collateral described in the foregoing paragraphs.

It is the intention of the parties hereto that the foregoing liens shall be first and prior liens and shall be enforceable as such.

SECTION 2. After any acceleration, as provided for in Paragraph 6.02 of the Loan Agreement, the Banks shall have, in addition to the rights and remedies given them by the Loan Agreement and this Assignment, all those allowed by applicable laws, except that, without the written consent of the Borrower, the Banks may not retain the Collateral in satisfaction of the Obligations. Without limiting the generality of the foregoing, the Agent Bank may immediately, without demand of performance and without other notice (except as specifically required by this Assignment) or demand whatsoever to the Borrower, all of which are hereby expressly waived, and without advertisement, sell at public or private sale or otherwise realize upon, in Philadelphia, Pennsylvania, or elsewhere, the whole or, from time to time, any part of the Collateral, or any interest which the Borrower may have therein. After deducting from the proceeds of sale or other disposition of the Collateral all expenses (including all reasonable expenses for legal services), the Agent Bank shall apply such proceeds toward the satisfaction of the Obligations. Any remainder of the proceeds after satisfaction in full of the Obligations shall, subject to mandatory provisions of any applicable laws, be paid over to

the Borrower in immediately available federal funds. Notice of any sale or other disposition shall be given to the Borrower at least thirty (30) days before the time of any intended public sale or of the time after which any intended private sale or other disposition of the Collateral is to be made, which the Borrower hereby agrees shall be reasonable notice of such sale or other disposition.

SECTION 3. In furtherance of the assignment and security interest provided for herein, the Borrower agrees as follows:

(A) The Borrower will abide by, perform and discharge each and every obligation, covenant and agreement which the Lease provides are to be performed by the Borrower. Without the written consent of the Banks, the Borrower will not: anticipate the rents under the Lease; waive, excuse, condone, forgive or in any manner release or discharge ConRail thereunder of or from the obligations, covenants and agreements to be performed by ConRail that are intended to satisfy the Obligations of the Borrower under the Loan Agreement, including, but without limitation, the obligation to make the Payments in the manner and at the time and place specified therein; terminate the Lease; or enter into any agreement amending or modifying the Lease, and the Borrower agrees that any such amendment or modification that adversely affects the

rights of the Banks hereunder shall be void without the Agent Bank's consent.

(B) At the Borrower's sole cost and expense, the Borrower will appear in and defend every action or proceeding arising under, growing out of, or in any manner connected with the obligations, duties or liabilities of the Borrower under the Lease.

(C) The Borrower will direct that, at the time of delivery of each unit of the Equipment to ConRail under the Lease, there will be plainly, distinctly, permanently and conspicuously marked by stencilling or otherwise on each side of each unit, the following legend:

"OWNERSHIP SUBJECT TO A SECURITY AGREEMENT
FILED UNDER THE INTERSTATE COMMERCE ACT,
SECTION 20c."

(D) Should the Borrower fail to do any act which this Assignment requires the Borrower to do, then the Agent Bank may (but without obligation so to do), after first making written demand upon the Borrower and affording the Borrower a reasonable period of time within which to do such act (but without releasing the Borrower from any obligation hereunder), make or do the same in such manner and to such extent as the Agent Bank may deem necessary to protect the Collateral, including specifically, but without limitation, appearing in and defending any action or proceeding purporting to affect the Collateral or the rights or powers

of the Banks, and performing and discharging each and every obligation, covenant and agreement of the Borrower contained in the Lease. In exercising any such powers, the Agent Bank may pay necessary and reasonable costs and expenses, employ counsel and incur and pay reasonable attorneys' fees and the Borrower will reimburse the Agent Bank for such costs, expenses and fees on demand.

At any such sale or other disposition, the Banks, or any of them, may, to the extent permissible under applicable laws, purchase the whole or any part of the Collateral. Without limiting the generality of any of the rights and remedies conferred upon the Banks under this Section, the Banks may, after acceleration of the maturity of the Loan, to the full extent permissible by applicable laws, do all or any of the following:

- (A) Terminate the Lease;
- (B) Take immediate possession of the Collateral, either personally or by means of a receiver appointed by a court of competent jurisdiction;
- (C) At the Banks' option, use, operate, manage and control the Collateral in any lawful manner;
- (D) Collect and receive all rents, income, revenue, earnings, issues and profits therefrom; and
- (E) Maintain, repair, renovate, alter or remove the Collateral as the Banks may determine in their discretion.

SECTION 4. This Assignment has been executed and delivered for the sole purpose of providing collateral security for the Obligations of the Borrower under the Loan Agreement and, accordingly:

(A) The execution and delivery of this Assignment shall not subject the Banks, or any of them, to, or transfer or pass or in any way affect or modify, the liability of the Borrower under the Lease, and all obligations of the Borrower to ConRail shall be and remain enforceable by ConRail, its successors and assigns, against, and only against, the Borrower, its successors and assigns; and

(B) The Banks hereby agree with the Borrower that, so long as no Event of Default under the Loan Agreement has occurred and is continuing:

(1) No Bank will exercise or enforce, or avail itself of, any of the rights, powers, privileges, authorizations or benefits assigned and transferred by the Borrower to the Banks by this Assignment, except the right of the Agent Bank to receive the Payments and apply them as provided in the Loan Agreement; and

(2) Subject to the terms of the Lease, the Loan Agreement and this Assignment, the Borrower may exercise or enforce, or seek to exercise or enforce, such rights, powers, privileges, authorizations or benefits.

SECTION 5. The Borrower does hereby constitute the Agent Bank the Borrower's true and lawful attorney-in-fact, irrevocable, with full power, after the occurrence of an Event of Default, in the name of the Borrower, or otherwise, to ask, require, demand, receive, compound and give acquittance for any and all Payments due and to become due under or arising out of the Lease to which the Borrower is or may become entitled, to enforce compliance by ConRail with all the terms and provisions of the Lease, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings which the Banks may deem to be necessary or advisable in the premises.

SECTION 6. Upon the full discharge and satisfaction of all the Borrower's Obligations under the Loan Agreement and the Notes (as defined in the Loan Agreement), this Assignment and all rights herein assigned to the Banks shall terminate, all estate, right, title and interest of the Banks in and to the Collateral shall revert to the Borrower, and the Banks shall do such acts and shall execute such filings and other documents as shall be required to give effect to the foregoing provisions of this section.

SECTION 7. The Borrower makes no representation or warranty as to the due execution of the Lease by ConRail

or, with respect to ConRail, the validity, sufficiency or enforceability thereof. Nor shall the Borrower be responsible for the performance or observance by ConRail of any of its agreements, representations, indemnities, obligations or other undertakings under the Lease.

SECTION 8. The Borrower will, from time to time, do and perform any other act and will execute, acknowledge, deliver and file, register, deposit and record (and will refile, re-register, re-record, or re-deposit whenever required) any and all further instruments required by law or reasonably requested by the Agent Bank in order to confirm or further assure, the interests of the Banks hereunder. The obligations set forth in this section shall be satisfied if, where proper, performed by ConRail.

SECTION 9. The terms of this Assignment and all rights and obligations hereunder shall be governed by the laws of the Commonwealth of Pennsylvania, but the parties hereto shall be entitled to all of the rights conferred by Section 20c of the Interstate Commerce Act.

SECTION 10. This Assignment shall inure to the benefit of, and shall be binding upon, the respective successors and permitted assigns of the parties hereto and shall be enforceable only against the Trust and not against

the Trustee or the Beneficiaries in their individual capacities.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have caused this Assignment to be duly executed and their respective corporate seals to be hereunto affixed and duly attested, all as of the date and year first above written.

ATTEST: [CORPORATE SEAL]

Lawrence E. McAllee
Assistant Secretary

FIRST PENNSYLVANIA BANK N.A.

By

Ryan C. Bell
Vice President

ATTEST: [CORPORATE SEAL]

Assistant Secretary

CENTRAL NATIONAL BANK OF CLEVELAND

By

Ryan C. Bell
~~Vice President~~
Attorney-in-fact

ATTEST: [CORPORATE SEAL]

Assistant Secretary

THE FIDELITY BANK

By

[Signature]
Vice President

ATTEST: [CORPORATE SEAL]

Secretary

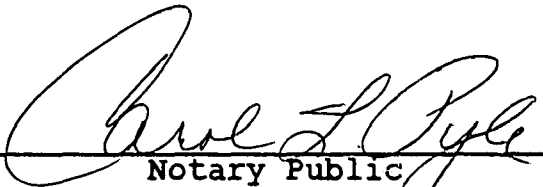
CONRAIL 1978 TRUST NO. II
[By Manufacturers National Bank of Detroit, Trustee under a Restated and Amended Trust Agreement, restated and amended as of February 15, 1978 and dated as of January 2, 1978]

By

[Signature]
DONALD E. BLACK
VICE PRESIDENT AND TRUST OFFICER

COMMONWEALTH OF PENNSYLVANIA :
COUNTY OF PHILADELPHIA : ss.

On this 23rd day of August, 1978, before me, personally appeared Roger C. Baldwin, to me personally known, who, being by me duly sworn, says that he is Vice President of First Pennsylvania Bank N.A. that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its board of directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

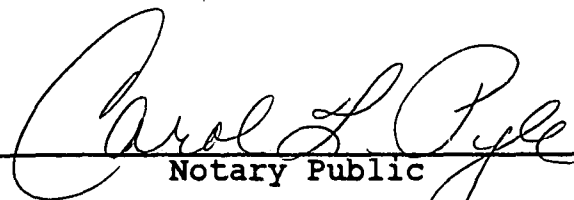

Notary Public

CAROL L. PYLE

Notary Public, Philadelphia; Philadelphia Co.
My Commission Expires January 8, 1979

COMMONWEALTH OF PENNSYLVANIA :
COUNTY OF PHILADELPHIA : SS.

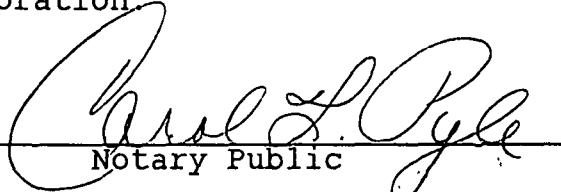
On this 23rd day of August, 1978, before me, personally appeared Roger C. Baldwin, to me personally known, who, being by me duly sworn, says that he is Attorney-in-Fact of Central National Bank of Cleveland, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its board of directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.


Notary Public

CAROL L. PYLE
Notary Public, Philadelphia, Philadelphia Co.
My Commission Expires January 8, 1979

COMMONWEALTH OF PENNSYLVANIA :
: SS.
COUNTY OF PHILADELPHIA :

On this 23rd day of August, 1978, before
me, personally appeared Adam J. Perone, to me
personally known, who, being by me duly sworn, says that
he is Vice President of
The Fidelity Bank, that one
of the seals affixed to the foregoing instrument is the
corporate seal of said corporation, that said instrument
was signed and sealed on behalf of said corporation by
authority of its board of directors and he acknowledged
that the execution of the foregoing instrument was the
free act and deed of said corporation.

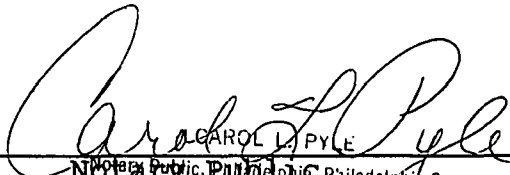

Notary Public

CAROL L. PYLE

Notary Public, Philadelphia, Philadelphia Co.
My Commission Expires January 8, 1979

COMMONWEALTH OF PENNSYLVANIA :
: ss.
COUNTY OF PHILADELPHIA :

On this 23rd day of August, 1978, before me,
personally appeared DONALD E. BLACK, to me personally known,
who, being by me duly sworn, says that he is Vice President
and Trust Officer of Manufacturers National Bank of Detroit,
that one of the seals affixed to the foregoing instrument is
the corporate seal of said association, that said instrument
was signed and sealed on behalf of said association by
authority of its board of directors and he acknowledged that
the execution of the foregoing instrument was the free act
and deed of said association.


CAROL L. PYLE
Notary Public, Philadelphia Co.
My Commission Expires January 8, 1979